

1 Leib M. Lerner (CA State Bar No. 227323)
2 Alina A. Ananian (CA State Bar No. 322905)
3 **ALSTON & BIRD LLP**
4 333 S. Hope Street, 16th Floor
5 Los Angeles, CA 90071
6 Telephone: (213) 576-1000
Facsimile: (213) 576-1100
Email: leib.lerner@alston.com
Email: alina.ananian@alston.com

7 Attorneys for Global Experience Specialist
8 f/k/a GES Exposition Services, Inc.

9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SANTA ANA DIVISION**

12 In re:

13 Coastal International Inc.,
14 Debtor

Bankruptcy Case No. 19-13584-TA

Chapter 11

**OMNIBUS OBJECTION OF GLOBAL
EXPERIENCE SPECIALIST F/K/A GES
EXPOSITION SERVICES, INC. TO
DEBTOR'S EMERGENCY MOTIONS**

Emergency Hearing

Date: September 18, 2019

Time: 11:00 a.m.

Place: Courtroom 5B
411 West Fourth Street
Santa Ana, CA 92701

Global Experience Specialist f/k/a GES Exposition Services, Inc. ("GES"), hereby objects to the Coastal International, Inc. ("Debtor") Emergency Payroll Motion [Doc. 11; replaced by Doc. 18], Emergency Cash Collateral Motion [Doc. 12] and Emergency Financing Motion [Doc. 13] (collectively, the "Motions"), as follows:

I. BACKGROUND AND SUMMARY

1. GES is by far the largest creditor in this case, with a judgment against the Debtor of \$11,709,232.24, plus post-judgment interest accruing at 9% per annum since the judgment was entered on May 18, 2018. See Judgment, attached as Exhibit A to the Declaration of Leib M. Lerner attached hereto ("Lerner Declaration"). This bankruptcy filing is another mark in the Debtor's strategy to not pay a dime for its employee Christopher Lindroth's catastrophic injuries that rendered him a paraplegic. GES paid close to \$25 million on account of Lindroth's injuries, but the Debtor – *which was found to be 75% responsible for GES's liability* – has done everything in its power to avoid its payment obligations. The bankruptcy filing was not a surprise and much of the relief requested by the Debtor is not appropriate for an emergency motion. Indeed, back in June 2019 the Debtor and GES stipulated to a stay of GES's collection efforts that expired this past Friday, September 13, 2019. Debtor's proposed bankruptcy counsel Weiland Golden Goodrich, LLP represented Debtor in negotiating that stipulation, at the judgment debtor's exam taken on July 22, 2019 where Debtor's CEO appeared as "person most knowledgeable" and at the failed mediation that was held over a month ago. Thus, while Debtor continued during the period covered by the stipulation to refuse to pay GES's judgment and take responsibility for its significant role in Lindroth's catastrophic injury, it was preparing its bankruptcy filings. See Stipulation, attached as Exhibit B to the Lerner Declaration.

2. Despite the apparent months of preparation, Debtor nonetheless chose to file its petition in this Court; yet, there is no jurisdictional basis for this case to be filed in the Central District of California. The Northern District of California is the proper venue for this case because the Debtor's actual principal place of business and nerve center for approximately 30 years has been in the Northern District of California, and is currently 3 Harbor Drive, Suite 211, Sausalito, CA 94965, which is located in the Northern District of California. See Exhibit C and

1 **Exhibit D** attached to the Lerner Declaration (Statement of Information filed with the California
2 Secretary of State. The Debtor's Chief Executive Officer, Bruce Green, testified under oath at a
3 judgment debtor's exam in July 2019 that the Debtor's primary place of business is at the
4 Sausalito address. *See* **Exhibit E** attached to the Lerner Declaration (Deposition Transcript of
5 Bruce Green). All of the financing documents attached by the Debtor in support of the Motions
6 likewise indicate the same address for Debtor, as does the Statement of Information that the
7 Debtor filed with the California Secretary of State. GES intends to shortly bring a motion for this
8 case to be dismissed or transferred to the Northern District of California pursuant to 28 U.S.C. §§
9 1408 and 1412.

10 3. GES's specific objections to the Motions are set forth below.

11 **II. OBJECTIONS TO THE PAYROLL MOTION**

12 4. The Payroll Motion is silent on the fact that it seeks this Court's permission to pay
13 insiders on an emergency basis, without complying with LBR 2014-1.

14 5. GES objects to the payment of insiders as defined in 11 U.S.C. § 101(31)(B).
15 Pursuant to Local Bankruptcy Rule 2014-1(a)(1) "no compensation or other remuneration may be
16 paid from the assets of the estate to a debtor's owners, partners, officers, directors, shareholders,
17 or relatives of insiders as defined by 11 U.S.C. § 101(31), from the time of the filing of the
18 petition until the confirmation of a plan unless the debtor serves a Notice of Setting/Increasing
19 Insider Compensation" providing parties in interest the opportunity to object on 14 days notice.

20 6. When the debtor is a corporation, an insider, as defined in 11 U.S.C. § 101(31),
21 includes an officer of the debtor, person in control of the debtor, or relative of a general partner,
22 director, officer, or person in control of the debtor. 11 U.S.C. § 101(31)(B).

23 7. Here, Debtor seeks permission to pay Bruce Green \$8,551.81. Emergency Payroll
24 Motion, Exhibit 1, p. 24. Bruce Green is Debtor's Chief Executive Officer. He has been Debtor's
25 sole shareholder since 2003, first directly and then through his wholly owned Coastal
26 International Holdings, LLC beginning in 2014. *See* Exhibit E, Green Deposition Transcript.
27 Debtor can only pay Mr. Green if it complies with LBR 2014-1. Likewise, Debtor's Exhibit 1
28 includes additional names of employees with the Green surname, Elizabeth Green (page 23) and a

1 Bryan Green (page 39). There may be additional relatives with other last names. None of these
2 insiders are identified in the Emergency Payroll Motion.

3 8. GES respectfully requests that any order approving the Emergency Payroll Motion
4 be limited to non-insider or insider relative employees.

5 9. GES also objects to the Emergency Payroll Motion to the extent that it seeks to
6 reimburse employees for alleged pre-petition ordinary business expenses. The Debtor does not
7 identify what these expenses are for, to whom they are to be paid, or how much is to be paid.
8 Such expenses are not wages that fall within any rule of priority, and would just be an unsecured
9 claim against the estate. If the Debtor wishes to pay pre-petition reimbursements, it should file an
10 appropriate motion, supported by evidence and legal authority, on regular notice.

11 **III. OBJECTION TO THE CASH COLLATERAL MOTION**

12 10. The Cash Collateral Motion seems to present a solution looking for a problem. Is
13 the Debtor seeking to continue with its pre-petition factoring agreement, or to enter into a new
14 post-petition factoring agreement (problematic in its own right and discussed in the next section)?

15 11. The Cash Collateral Motion lacks much of the basic financial information needed
16 for creditors, the United States Trustee and this Court to determine if the Debtor's proposed use
17 of cash collateral is necessary or appropriate. The only financial information in the motion is that
18 the Debtor owes TAB Bank \$1.3 million on \$1.6 million in purchased accounts. There is no
19 indication of how much money the Debtor has on hand, or how much is "necessary to avoid
20 immediate and irreparable harm to the estate pending a final hearing." FRBP 4001(b)(2). The
21 cash that the Debtor has on hand, if it flowed the way the Debtor describes, is money that the
22 Debtor has already paid to use. Even if TAB Bank has a lien on the cash, which may be
23 questioned or challenged later in the case, there is no reason for the Court to approve anything
24 that gives TAB Bank more security in that cash than it already has. Based on the scarce evidence
25 presented in connection with the Cash Collateral Motion, there is certainly no basis to conclude
26 that TAB Bank is entitled to a replacement lien on the Debtor's post-petition assets, as is
27 proposed in the stipulation, ¶2.

28 12. Other problems with the proposed stipulation are the bank's ability to withdraw its

consent upon ten days' notice; a reserve of \$30,000 for TAB's attorneys' fees and costs, and an apparent requirement for pre-petition debt to be paid out of post-petition invoices. *See* Stipulation, ¶3 ("all payments of factored accounts shall be credited towards the Pre-Petition Obligations."). In this regard, it is not clear that the Debtor's LBR 4001-2 Statement (Exhibit 4 to the Cash Collateral Motion) is accurate.

IV. OBJECTION TO THE FINANCING MOTION

13. The Debtor asks the Court to ratify its pre-petition factoring agreement on an emergency basis.

14. First, the agreement is not a loan or line of credit; indeed, it does not appear to be a financing agreement at all. Rather, it is an expensive agreement through which the Debtor is seeking to sell estate assets – namely, to sell the Debtor's invoices to TAB Bank for "LIBOR rate plus 7 ½ percent." Motion, Page 8. The Debtor seems to using the 3-month LIBOR rate. *See* Exhibit 3, Page 60 ("LIBOR rate is 2.13%). The total rate proposed for the sale of the invoices is at least 9.63 percent, before fees. That this is a purchase and sale agreement, not a financing agreement is confirmed by the text of the proposed agreement: the "relationship of the parties shall be that of Purchaser and Seller of accounts, and not that of lender and borrower." Emergency Financing Motion, Exhibit 3, Page 56 (Definition of Security Interest). As a result, GES submits that the Financing Motion is not properly presented under FRBP 4001 or Section 364 of the Bankruptcy Code, as it should be submitted to the Court under Section 363 of the Bankruptcy Code and the rules applicable thereto.

15. Second, even if it was a true financing motion and not a motion to sell the Debtor's assets, the Debtor supplies no budget that indicates how much it projects it will need "to avoid immediate and irreparable harm to the estate pending a final hearing." FRBP 4001(c)(2)(3). The Debtor should not be permitted to enter into an open ended "financing" agreement that authorizes it to sell all of its invoices and receivables to TAB Bank, and which TAB Bank can enforce even if it later turns out to be a bad deal for the Debtor. If approved at all, the Debtor can only be permitted to sell the amount of invoices that it needs to survive until a final hearing. Likewise, the Debtor does not present how much money is currently on reserve from pre-petition purchases,

1 or how much it projects will be on reserve if the Emergency Financing Motion is approved.

2 16. Moreover, because neither the Cash Collateral Motion nor the Financing Motion
3 contain a budget, it is not clear how the Debtor will spend these funds and if such spending is in
4 the best interests of creditors and the estate. Additionally, there is no disclosure of whether
5 Debtor seeks to pay Mr. Green, his relatives, any other entities owned or controlled by Mr. Green
6 or other insiders on a post-petition basis. Such proposed payments are inappropriate and must be
7 disclosed. *See* LBR 2014-1(a)(1).

8 17. Third, Section 364 (c) of the Bankruptcy Code requires the Debtor to show that it
9 made a good faith effort to obtain financing on better terms and that there is no financing
10 available under terms superior to the those proposed. *See, In re Premier Entertainment Biloxi*
11 *LLC*, Case No. 06- 50975, 2007 Bankr. LEXIS 3939 (Feb. 2, 2007) (citing *In re Western Pacific*
12 *Airlines, Inc.*, 223 B.R. 567, 572 (Bankr. D. Colo. 1997)) (stating that in order to obtain approval
13 of post-petition financing pursuant to 11 U.S.C. §§ 364(c) and/or (d), the debtor-in-possession
14 bears the burden of proof to show "first, that the proposed financing is an exercise of sound and
15 reasonable business judgment; second, that no alternative financing is available on any other
16 basis; third, that the financing is in the best interests of the estate and its creditors; and, as a
17 corollary to the first three points, that no better offers, bids, or timely proposals are before the
18 Court.").

19 18. The Debtor has presented no evidence that the proposed sale of invoices to TAB
20 Bank is the best deal for the Debtor, or that the Debtor even shopped for any type of financing,
21 including a traditional loan or line of credit. Rather, the Debtor apparently went to TAB Bank
22 simply because it was involved with Debtor pre-petition. The base interest rate is 3 percentage
23 points higher than the pre-petition amount (4.5% v. 7.5%), with no explanation as to why an
24 existing "lender" would deserve a 60% interest rate increase just because the Debtor is in a
25 chapter 11, where the facility has little risk because it is a factoring arrangement where the
26 "lender" is actually purchasing the Debtor's invoices. Indeed, the "lender" is consistently
27 referred to as the "Purchaser" throughout the proposed new agreement, and in the pre-petition
28 agreement and amendment.

19. Fourth, there are numerous problems with the agreement that are inappropriate for a debtor in a chapter 11, in order of appearance on the agreement attached as Exhibit 3 to the motion:

- Collateral – definition extends to all the Debtor’s assets, even to “Exclusions” (i.e., invoices that the Purchaser chooses not to buy).
- Default Rate - a default rate of 5%,
- Exclusions - the ability of purchaser to elect to not buy any account while still retaining a security interest over the rejected account for purposes of securing payment.
- Numerous Fees - Attorney Documentation Fee, Late Charge, Minimum Monthly Fee, Misdirected Payment Fee (15%), Missing Notation Fee (15%), Origination Fee.
- Events of Default – includes guarantor default and if “Purchaser for any reason, in good faith, deems itself insecure with respect to the prospect of repayment or performance of the Obligations.”
- Authorization to Purchaser – includes a release of claims by the Debtor subject to a FRBP 9019 motion.
- Account Stated – Debtor is required to object to any statement within 60 days, otherwise the statement “shall be binding against Seller.”
- Attorneys Fees – Debtor is obligated to defend Purchaser against any avoidance actions.

V. RESERVATION OF RIGHTS

20. GES reserves and does not waive any and all rights to assert further objections before and at the hearing on the Motions, in accordance with the Court's Order Setting Hearing on the Motions [Doc. 8], ¶ 3, as well as to object to the entry of any final orders.

VI. CONCLUSION

21. For the reasons set forth above, GES respectfully requests that the Court deny or limit any interim orders on the Emergency Motions as set forth above, and that any final motions

be set for such time as will provide a reasonable opportunity for the Court, GES and other
interested parties to have time to properly respond to the Debtor's Motions.

Dated: September 18, 2019

ALSTON & BIRD LLP

By: /s/ Leib M. Lerner

Attorneys for Global Experience Specialist
f/k/a GES Exposition Services, Inc.

DECLARATION OF LEIB M. LERNER

I, Leib M. Lerner, declare as follows:

1. I am an attorney licensed to practice by the State of California and admitted to practice before the above-entitled Court. I am a partner with the law firm of Alston & Bird LLP, attorneys for creditor Global Experience Specialist f/k/a GES Exposition Services, Inc. ("GES"). I have personal knowledge of the facts contained in this declaration, except as to matters stated upon information and belief and as to those matters, I believe them to be true. If called upon as a witness, I could and would testify thereto.

2. I am an attorney of record for GES and, as such, am one of the custodians of the books, records and files of GES that relate to its judgment against Coastal International Inc. ("**Coastal**" or "**Debtor**").

3. I make this declaration in support of the Omnibus Objection of Global Experience Specialist F/K/A GES Exposition Services, Inc. to Debtor's Emergency Motions.

4. Attached hereto as **Exhibit A** is a true and correct copy of the Judgment entered against Debtor in the Marin County Superior Court, Case No. 1801683 on May 18, 2018.

5. Attached hereto as **Exhibit B** is a true and correct copy of the Stipulation (1) for Production of Records by Coastal International, Inc., (2) Order for Appearance and Examination of Coastal International, Inc., and (3) Mediation, dated June 26, 2019.

6. Attached hereto as **Exhibit C** is a true and correct copy of the Debtor's Statement of Information filed with the California Secretary of State on April 2, 2013.

7. Attached hereto as **Exhibit D** is a true and correct copy of the Debtor's Statement of Information filed with the California Secretary of State on August 5, 2019.

8. Attached hereto as **Exhibit E** is a true and correct copy of excerpts of the Deposition Transcript of Bruce Edward Green, taken July 22, 2019.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: September 18, 2019

/s/ Leib M. Lerner

Leib M. Lerner

EXHIBIT A

FILED

MAY 18 2018

JAMES M. KIM, Court Executive Officer
MARIN COUNTY SUPERIOR COURT
By: C. Lucchesi, Deputy

C. Lucchesi

1 McCormick, Barstow, Sheppard,
Wayte & Carruth LLP
2 David L. Emerzian, #222930
david.emerzian@mccormickbarstow.com
3 7647 North Fresno Street
Fresno, California 93720
4 Telephone: (559) 433-1300
Facsimile: (559) 433-2300

5 Attorneys for Plaintiff/Judgment Creditor

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF MARIN

10
11 GLOBAL EXPERIENCE SPECIALIST fka
GES EXPOSITION SERVICES, INC.,

12 Plaintiff,

13 v.

14 COASTAL INTERNATIONAL, INC.,

15 Defendant.

Case No. *CIV* 1801683

~~PROPOSED~~ JUDGMENT

(CL)

17
18
19 IT IS ORDERED, ADJUDGED, DECREED AND DECLARED as follows:

20 1. Judgment is entered in favor of Plaintiff/Judgment Creditor, GLOBAL EXPERIENCE
21 SPECIALIST fka GES EXPOSITION SERVICES, INC. and against Defendant COASTAL
22 INTERNATIONAL, INC. in the amount of \$11,709,236.24, which includes the amount entered by the
23 Circuit Court of Cook County, Illinois (\$11,709,236.24 and the Court's filing fee of \$428⁰⁰), along

24 ///

25 ///

26 ///

27 ///

28 ///

1 with post-judgment interest which continues to accrue on the judgment amount at a rate of 9% per
2 annum until Judgment is paid.

3
4
5 DATED: May 18, 2018

C. Lucchesi

C. LUCCHESI

~~Judge of the~~ Marin County Superior Court

6 JAMES M. KIM

7 03674-02129 5041750.1

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF FRESNO

At the time of service, I was over 18 years of age and **not a party to this action**. I am employed in the County of Fresno, State of California. My business address is 7647 North Fresno Street, Fresno, CA 93720.

On May 18, 2018, I served true copies of the following document(s) described as **[PROPOSED] JUDGMENT** on the interested parties in this action as follows:

Coastal International, Inc.
c/o Bruce Green
3 Harbor Drive, Suite 211
Sausalito, CA 94965

BY MAIL: I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 18, 2018, at Fresno, California.

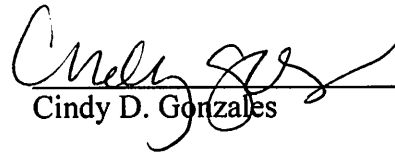

Cindy D. Gonzales

EXHIBIT B

1 McCormick, Barstow, Sheppard,
Wayte & Carruth LLP
2 David L. Emerzian, #222930
david.emerzian@mccormickbarstow.com
3 7647 North Fresno Street
Fresno, California 93720
4 Telephone: (559) 433-1300
Facsimile: (559) 433-2300
5

6 Attorneys for Plaintiff/Judgment Creditor
GLOBAL EXPERIENCE SPECIALIST fka GES
EXPOSITION SERVICES, INC.

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA

8 COUNTY OF MARIN

9 GLOBAL EXPERIENCE SPECIALIST fka
10 GES EXPOSITION SERVICES, INC.,

11 Plaintiff,

12 v.

13 COASTAL INTERNATIONAL, INC.,

14 Defendant.

Case No. CIV 1801683

**STIPULATION FOR (1) PRODUCTION
OF RECORDS BY COASTAL
INTERNATIONAL, INC., (2) ORDER
FOR APPEARANCE AND
EXAMINATION OF COASTAL
INTERNATIONAL, INC., AND (3)
MEDIATION**

Assigned for All Purposes to:
Hon. Roy O. Chernus, Dept. B

17 Counsel for Plaintiff GLOBAL EXPERIENCE SPECIALIST fka GES EXPOSITION
18 SERVICES, INC. ("Plaintiff") and Defendant COASTAL INTERNATIONAL, INC. ("Defendant")
19 hereby stipulate and agree as set forth hereinbelow.

20 **RECITALS**

21 1. WHEREAS, on or about September 6, 2017, Judgment was entered in the sister state of
22 Illinois against Defendant in the amount of \$11,709,232.24. Defendant disputes this amount as it
23 relates to the calculation of interest.

24 2. WHEREAS, on or about May 18, 2018, Judgment was entered in this Court against
25 Defendant in the amount of \$11,709,232.24, to enforce a sister state judgment. Defendant disputes
26 this amount as it relates to the calculation of interest.

27 3. Counsel for Defendant has agreed to produce Defendant's PMK, Bruce Green, for an
28

1 Examination under oath at a mutually agreed upon date, time and location, , in accordance with the
2 terms and conditions herein.

3 **STIPULATION**

4 Based upon the foregoing, and incorporating the Recitals set forth above, it is hereby
5 Stipulated and Agreed as follows:

6 1. Defendant shall produce to Plaintiff's counsel all documents set forth in Exhibit
7 "A" to this stipulation. The documents produced by Defendant pursuant to this stipulation shall be
8 used only in this action referenced above and shall be used for the purpose of the prosecution,
9 defense, or settlement of this action and the judgement which was entered into the above entitled
10 action, including enforcement of any judgment.

11 2. This stipulation constitutes the entire agreement between the undersigned parties with
12 respect to its subject matter and supersedes all prior understandings, proposals, negotiations and
13 communications, whether oral or written, between the parties or their respective representatives
14 regarding the subject matter hereof.

15 3. By written agreement of the parties, or upon motion and order of the Court, the terms
16 of this stipulation may be amended, modified or vacated. This stipulation shall continue in full force
17 and effect until amended or superseded by express order of the Court, and shall survive any final
18 judgment or settlement in this action.

19 4. Defendant shall designate Bruce Green as its person most knowledgeable and Bruce Green
20 will be available for examination under oath and before a court reporter on July 2, 2019 at 10:00 a.m.
21 at a location in San Francisco, or at a mutually convenient date immediately thereafter if the parties
22 cannot agree upon the earlier date noted. Bruce Green shall testify solely for the Defendant and not in
23 his personal or individual capacity. The examination of Bruce Green shall not take place unless and
24 until dates for both the examination and mediation have been agreed to in writing by the parties. .

25 5. Following Defendant's production of documents set forth in Exhibit "A", and
26 following the examination of the person most knowledgeable under oath, the parties hereto shall
27 participate in a mediation on July 30, 2019 at 10:00 a.m., or at a mutually convenient date
28 immediately thereafter if the parties cannot agree upon the earlier date noted, at Two Embarcadero

1 Center, Suite 1500, San Francisco, CA 94111 before Judge Ambler.

2 6. Plaintiff agrees that all proceedings and collection efforts shall be stayed until 30 days
3 after the conclusion of the mediation between the parties. 7. This Stipulation may be executed in
4 counterparts, each of which shall be deemed an original stipulation against each party, but all of which
5 shall constitute one in the same instrument.

6 8. Defendant reserves the right to object, at the examination under oath or through the
7 production of documents, based upon the assertion of confidentiality, privilege, trade secret and any
8 other applicable objection.

9 9. Plaintiff and Defendant agree that the production of any further documents not set forth
10 in this Stipulation shall be either by order of the court or by mutual agreement of the parties.

11 Dated: June 26, 2019

MCCORMICK, BARSTOW, SHEPPARD,
WAYTE & CARRUTH LLP

12
13 By: _____

David L. Emerzian

Attorneys for Plaintiff GLOBAL EXPERIENCE
SPECIALIST aka GES EXPOSITION SERVICES,
INC.

14
15
16 Dated: June 26, 2019

Weiland Golden Goodrich, LLP

17
18 By: _____

Jeff Golden for Defendant COASTAL
INTERNATIONAL, INC.

**ORDER ON STIPULATION FOR (1) PRODUCTION OF RECORDS BY
COASTAL INTERNATIONAL, INC., (2) ORDER FOR APPEARANCE AND
EXAMINATION OF COASTAL INTERNATIONAL, INC., and (3) MEDIATION**

ORDER

Upon considering the STIPULATION FOR (1) PRODUCTION OF RECORDS BY
COASTAL INTERNATIONAL, INC., (2) ORDER FOR APPEARANCE AND EXAMINATION OF
COASTAL INTERNATIONAL, INC., and (3) MEDIATION by the parties, and good cause
appearing therefore:

IT IS HEREBY ORDERED that:

1. Defendant COASTAL INTERNATIONAL, INC. shall produce to Plaintiff's counsel
all documents set forth in Exhibit "A", which are incorporated by reference herein.

2. Defendant COASTAL INTERNATIONAL, INC.'s person most knowledge Bruce
Green, shall make himself available for Examination under oath and before a court reporter on July 2,
2019 at 10:00 a.m. at a location in San Francisco, or at a mutually convenient date immediately
thereafter if they parties cannot agree upon the earlier date noted. Bruce Green shall testify solely for
the Defendant and not in his personal or individual capacity. The examination of Bruce Green shall
not take place unless and until dates for both the examination and mediation have been agreed to in
writing by the parties. .

3. Following Defendant COASTAL INTERNATIONAL, INC.'s production of
documents set forth in Exhibit "A", and following the examination of Defendant's PMK under oath,
the parties hereto shall participate in a mediation before a mutually agreed upon mediator on July 30,
2019 at 10:00 a.m., or at a mutually convenient date immediately thereafter if they parties cannot
agree upon the earlier date noted, at Two Embarcadero Center, Suite 1500, San Francisco, CA 94111
before Judge Ambler.

4. Plaintiff agrees that all proceedings and collection efforts shall be stayed until 30 days
after the conclusion of the mediation between the parties.

5. The production of any further documents not set forth in this Stipulation shall be either
by order of the court or by mutual agreement of the parties.

1 IT IS SO ORDERED.

2 Dated: June ____, 2019

By: _____
JUDGE OF THE SUPERIOR COURT

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT "A" TO STIPULATION – LIST OF DOCUMENTS TO BE PRODUCED

- Coastal Tax Returns
 - 2007
 - 2008
 - 2009
 - 2010
 - 2011
 - 2012
 - 2013
 - 2014
 - 2015
 - 2016
 - 2017
- Coastal Reviewed Financial Statements
 - 2007
 - 2008
 - 2009
 - 2010
 - 2011
 - 2012
 - 2013
 - 2014
 - 2015
 - 2016

- 1 ○ 2017
- 2 • Bruce Green W-2s for 2012 to 2018 (redacted to remove Social Security Number and other
- 3 personal information of Bruce Green)
- 4 • Coastal Outstanding A/P Balance Summary as of 12/31/2018
- 5 • Coastal Life Insurance Value as of 4/30/19
- 6 • Coastal Compiled Financial Statements
- 7 ○ 2018
- 8 • Coastal Compiled Balance Sheets
- 9 ○ 2016
- 10 ○ 2017
- 11 ○ 2018
- 12 • Coastal Equipment Inventory as of 12/31/2018
- 13 • TAB Bank Operating Account 1/1/16 through present
- 14 • TAB Bank Payables Account 1/1/16 through present
- 15 • TAB Bank Payroll Account 1/1/18 through 3/30/18
- 16 • TAB Bank Payroll Account 4/1/18 through 6/30/18
- 17 • TAB Bank Payroll Account 7/1/18 through 9/30/18
- 18 • TAB Bank Payroll Account 10/1/18 through the present.
- 19 • TAB Bank Tax Account 1/1/16 through 12/31/18
- 20 • Coastal Vehicle List and Value as of 3/31/19
- 21 • Coastal American Express Charges for Calendar Years 2017, 2018 and 2019 (through the
- 22 present).
- 23 • TAB Bank Operating Account Statement
- 24 ○ January 2016
- 25 ○ February 2016
- 26 ○ March 2016
- 27 ○ April 2016
- 28 ○ May 2016

- 1 ○ June 2016
- 2 ○ July 2016
- 3 ○ August 2016
- 4 ○ September 2016
- 5 ○ October 2016
- 6 ○ November 2016
- 7 ○ December 2016
- 8 ○ January 2017
- 9 ○ February 2017
- 10 ○ March 2017
- 11 ○ April 2017
- 12 ○ May 2017
- 13 ○ June 2017
- 14 ○ July 2017
- 15 ○ August 2017
- 16 ○ September 2017
- 17 ○ October 2017
- 18 ○ November 2017
- 19 ○ December 2017
- 20 ○ January 2018
- 21 ○ February 2018
- 22 ○ March 2018
- 23 ○ April 2018
- 24 ○ May 2018
- 25 ○ June 2018
- 26 ○ July 2018
- 27 ○ August 2018
- 28 ○ September 2018

- 1 ○ October 2018
- 2 ○ November 2018
- 3 ○ December 2018
- 4 ○ January 2019
- 5 ○ February 2019
- 6 ○ March 2019
- 7 ○ April 2019

8

9

10

11

12

003674-002130 6136248.1

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

EXHIBIT C



State of California

Secretary of State

Statement of Information (Foreign Corporation)

FEES (Filing and Disclosure): \$25.00.

If this is an amendment, see instructions.

IMPORTANT - READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

E-R70830

FILED

In the office of the Secretary of
State of the State of California

Apr - 2 2013

1. CORPORATE NAME

COASTAL INTERNATIONAL, INC.

3 HARBOR DRIVE SUITE 211

SAUSALITO CA 94965

2. CALIFORNIA CORPORATE NUMBER

C1668735

This Space For Filing Use Only

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to **Item 13**.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
3 HARBOR DRIVE SUITE 211 SAUSALITO CA 94965			

5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
3 HARBOR DRIVE SUITE 211 SAUSALITO CA 94965			

6. MAILING ADDRESS OF THE CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
BRUCE GREEN	3 HARBOR DRIVE SUITE 211 SAUSALITO CA 94965			

8. SECRETARY	ADDRESS	CITY	STATE	ZIP CODE
BRUCE GREEN	3 HARBOR DRIVE SUITE 211 SAUSALITO CA 94965			

9. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
BRUCE GREEN	3 HARBOR DRIVE SUITE 211 SAUSALITO CA 94965			

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 11 must be left blank.

10. NAME OF AGENT FOR SERVICE OF PROCESS

BRUCE GREEN

11. STREET ADDRESS OF THE AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
3 HARBOR DRIVE SUITE 211 SAUSALITO CA 94965			

Type of Business

12. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
TRADESHOW SERVICES

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

04/02/2013

KATHY SPANGLER

OFFICE MANAGER

DATE

TYPE/PRINT NAME OF PERSON COMPLETING FORM

TITLE

SIGNATURE

EXHIBIT D



State of California Secretary of State

Statement of Information

(Foreign Corporation)

FEES (Filing and Disclosure): \$25.00.

If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

F

1. CORPORATE NAME

2. CALIFORNIA CORPORATE NUMBER

This Space for Filing Use Only

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. **If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.**

☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 13.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE CITY STATE ZIP CODE

5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY CITY STATE ZIP CODE

6. MAILING ADDRESS OF THE CORPORATION, IF DIFFERENT THAN ITEM 4 CITY STATE ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/ ADDRESS CITY STATE ZIP CODE

8. SECRETARY ADDRESS CITY STATE ZIP CODE

9. CHIEF FINANCIAL OFFICER/ ADDRESS CITY STATE ZIP CODE

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 11 must be left blank.

10. NAME OF AGENT FOR SERVICE OF PROCESS

11. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE

Type of Business

12. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

DATE

TYPE/PRINT NAME OF PERSON COMPLETING FORM

TITLE

SIGNATURE

EXHIBIT E

IN THE SUPERIOR COURT FOR THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF MARIN

--oOo--

GLOBAL EXPERIENCE SPECIALIST fka
GES EXPOSITION SERVICES, INC.,

Plaintiff,

v.

No. CIV 1801683

COASTAL INTERNATIONAL, INC.,

Defendant.

_____ /

DEPOSITION OF BRUCE EDWARD GREEN, taken at
Embarcadero Center, Suite 1500, San Francisco, California,
on Monday, July 22, 2019, at 10:41 a.m., before Pamela L.
Silveira, Certified Shorthand Reporter, in and for the State
of California.

1 A P P E A R A N C E S

2

3 For the Plaintiff:

4 MCCORMICK, BARSTOW, SHEPPARD,
5 WAYTE & CARRUTH, LLP
6 BY: DAVID L. EMERZIAN
7 7647 North Fresno Street
8 Fresno, California 93720
9 (559)433-1300
10 david.emerzian@mccormickbarstow.com

11

12 For the Defendant:

13 WEILAND, GOLDEN, GOODRICH, LLP
14 650 Town Center Drive, Suite 600
15 Costa Mesa, California 92626
16 BY: JEFFREY I. GOLDEN
17 (714)966-1000
18 jgolden@wgllp.com

19

20

21

22

23

24

25

26

--oOo--

27

28

29

30

31

1 gather today, I'm going to report that back to my client,
2 which through various layers is AIG, which is a very large
3 insurance company or one of its subdivisions. And to the
4 extent questions aren't answered, I'll just represent to you
5 that for whatever reason, that will have an impact on my
6 client's decision-making and whether or not they want to
7 settle the case.

8 Obviously, the more candid and transparent you are
9 today, and I'm sure your attorney will appreciate this, the
10 more comfortable my client is going to feel with reaching a
11 resolution. So I just wanted to put that out there.

12 You are free to refuse to answer any question I
13 ask; in fact, you know -- and if you have questions about
14 any questions I ask at any point and you want to go off the
15 record and speak to your attorney, I have no problem with
16 that. Okay?

17 **A All right.**

18 **Q**So with that in mind, you won't provide me your
19 residence address?

20 **A No.**

21 **Q**Okay.

22 **A And we're talking about the assets of Coastal**
23 **International, Inc.**

24 **Q**I understand. Okay.

25 What is the current business address of Coastal

1 International, Inc.?

2 **A It has multiple addresses.**

3 Q Okay. Is there a primary place of business that
4 Coastal International, Inc., operates out of?

5 **A Yes.**

6 Q Okay. And what would that -- what would that
7 address be?

8 **A 3 Harbor Drive, Suite 211, Sausalito, California**
9 **94965.**

10 Q Okay. And when you say Coastal International,
11 Inc., has many other -- or excuse me, other addresses, are
12 you familiar with those addresses and can you provide those
13 to me?

14 **A Not off the top of my head, no.**

15 Q Okay. And when you say other addresses, are these
16 other -- are these other addresses in different states
17 throughout the United States where Coastal International,
18 Inc., does business?

19 **A Yes.**

20 Q When was Coastal International, Inc. formed?
21 Approximately?

22 **A In 1984.**

23 Q Okay. And was it formed as a corporation or was
24 it a sole proprietorship in '84?

25 **A It was -- it was always a corporation.**

1 Q Okay. And have you always been the sole
2 shareholder?

3 A No.

4 Q Okay. Are you currently the sole shareholder of
5 Coastal International, Inc.?

6 A Yes.

7 Q How long -- how long have you been the sole
8 shareholder of Coastal International, Inc.?

9 A Since 2003.

10 Q And I'm going to try to -- this is one of the rare
11 areas when I'm going back in time. I'm going to try and
12 limit my questions from about 2012 until the present. Okay?

13 A Okay.

14 Q In the future when I ask you about different
15 things.

16 What is Coastal International, Inc., in business
17 to do?

18 MR. GOLDEN: As of today?

19 MR. EMERZIAN: Today?

20 THE WITNESS: We are a labor contractor
21 specializing in exhibit installation and dismantling and
22 retail and residential interior installations.

23 MR. EMERZIAN: Q: Okay. And has this been the
24 same -- have these been the same activities that Coastal
25 International, Inc., has been involved in since 2012?

1 A Yes.

2 Q Okay. Prior to 2012 do they do other things in
3 the trade industry?

4 A Yes, yes.

5 Q Okay. Does Coastal International, Inc. -- let's
6 go back to 2012. From 2012 until the present has Coastal
7 International, Inc., held any special license or permits?

8 A Yes, contractor's license?

9 Q Which? What destination?

**10 A State of California, and State of Nevada,
11 Washington State; that's B in California.**

12 Q Okay. And is it safe to say that you've been the
13 responsible managing employee or officer or whatever -- you
14 know, terms change all the time.

15 A It's qualifier, yes.

16 Q Qualifier --

17 A Yes.

18 Q And you've consistently held that position since
19 2012 until the present?

20 A Yes.

21 Q In going through the records there's -- I see that
22 there's two other entities that are somehow associated with
23 Coastal International, Inc. Those are Coastal International
24 holdings, LLC, and Coastal International Trade Show
25 Services, LLC. You're familiar with those services?

1 **A** **Yes.**

2 Q And is it my understanding that sometime in 2014
3 or 2015 Coastal International Holdings, LLC, was formed?

4 **A** **Correct.**

5 Q Okay. And also Coastal International Trade Show
6 Services, LLC, was formed in 2014?

7 **A** **Correct.**

8 Q And sometime in 2014 or 2015, of these three
9 entities, Coastal International Holdings, LLC, became the
10 parent company?

11 **A** **Correct.**

12 Q And the parent company of Coastal International,
13 Inc., and Coastal International Trade Show Services, LLC?

14 **A** **Correct.**

15 Q When that was done or those entities were formed,
16 you were the sole shareholder of Coastal International,
17 Inc.; right?

18 **A** **Correct.**

19 Q And would it be safe to say that you transferred
20 your stock interest in the corporation to Coastal
21 International Holdings, LLC?

22 **A** **Correct.**

23 MR. GOLDEN: I'm going --

24 MR. EMERZIAN: And I'm not --

25 MR. GOLDEN: It's fine you answer. You're trying

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: Alston & Bird LLP, 333 S. Hope Street, 16th Floor, Los Angeles, CA 90071

A true and correct copy of the foregoing document entitled (*specify*): OMNIBUS OBJECTION OF GLOBAL EXPERIENCE SPECIALIST F/K/A GES EXPOSITION SERVICES, INC. TO DEBTOR'S EMERGENCY MOTIONS will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On 9/18/2019, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Reem J Bello rbello@wglp.com,
kadele@wglp.com;vrosales@wglp.com;cyoshonis@wglp.com;cbmeeker@gmail.com
- Jeffrey I Golden jgolden@wglp.com,
kadele@wglp.com;vrosales@lwgfllp.com;cbmeeker@gmail.com
- Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- Leib M Lerner leib.lerner@alston.com, autodockettest-lax@alston.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL: On 9/18/2019, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Honorable Theodor C. Albert
United States Bankruptcy Court
Ronald Reagan Federal Building and Courthouse
411 West Fourth Street, Suite 5085 / Courtroom 5B
Santa Ana, CA 92701-4593

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

9/18/2019

Rosa Nelly Villaneda

/s/ Rosa Nelly Villaneda

Date

Printed Name

Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.